

BK 0853PG0155

VIRGINIA

ENTERED  
IN RE:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER  
VGOB 01-0717-0903

ELECTIONS: UNIT BB-39  
(herein "Subject Drilling Unit")

**REPORT OF BOARD**

**FINDINGS AND ORDER**

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on October 2, 2001 which was recorded at Deed Book 884, page 585 in the Office of the Clerk of the Circuit Court of Tazewell County, Virginia, on November 29, 2001, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed POCAHONTAS GAS PARTNERSHIP (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order.

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code Section 45.1-361.21.D.; and identifies the Respondent(s), if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates that the escrow of funds is required with regard to Unit BB-39.

Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, first Union National Bank, Corporate Trust PA1328, 123 Broad Street, Philadelphia, PA 19109-1199, Telephone: 215) 985-3485 or (800) 66-9359, Attn: Don Ballinghoff, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1529506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore.

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Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 26<sup>th</sup> day of June, 2002, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler


STATE OF VIRGINIA  
COUNTY OF WISE

Acknowledged on this 26<sup>th</sup> day of June, 2002, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Susan G. Garrett  
Notary Public


My commission expires: July 31, 2002

DONE AND PERFORMED this 1<sup>st</sup> day of July, 2002, by Order of the Board.

  
B. R. Wilson  
Director of the Division of Gas & Oil  
and Principal Executive to the Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 1<sup>st</sup> day of July, 2002, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is the Director of the Gas and Oil board and Principal Executive to the Board, that he executed the same and was authorized to do so.

  
Diane J. Davis  
Notary Public

Order Recorded Under Code of  
Virginia Section 45.1-361.26

My commission expires: September 30, 2005

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Pocahontas Gas Partnership for Forced Pooling of Interests in CBM Unit BB-39  
VGOB 01-0717-0903 in the Maiden Springs District of Buchanan County, Virginia

AFFIDAVIT OF POCAHONTAS GAS PARTNERSHIP (herein "Designated Operator") REGARDING  
ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by Consol Energy Inc., as a Gas Engineer and is duly authorized to make this affidavit on behalf of POCAHONTAS GAS PARTNERSHIP, the designated operator,

That the Order entered on October 2, 2001, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the county identified above; that said Order was recorded on November 14, 2001;

That the designated operator POCAHONTAS GAS PARTNERSHIP has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of October 2, 2001;

See attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

None

That to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are not subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

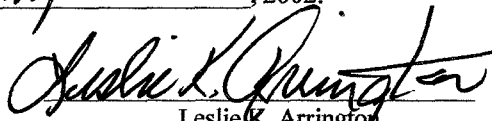
None

That the persons identified in Exhibit EE attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

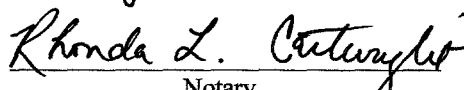
None

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Tazewell, Virginia, this 31<sup>st</sup> day of MAY, 2002.

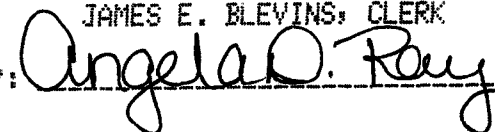
  
Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Gas Engineer of Consol Energy Inc., on behalf of the corporate Designated Operator, this 31<sup>st</sup> day of May, 2002.

  
Notary

My commission expires: 10/31/05.

INSTRUMENT #020003991  
RECORDED IN THE CLERK'S OFFICE OF  
TAZEWELL COUNTY ON  
JULY 15, 2002 AT 11:44AM  
JAMES E. BLEVINS, CLERK

BY:  (DC)

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS  
PROVIDED BY CONSOL Inc. AND WERE NOT SURVEYED.

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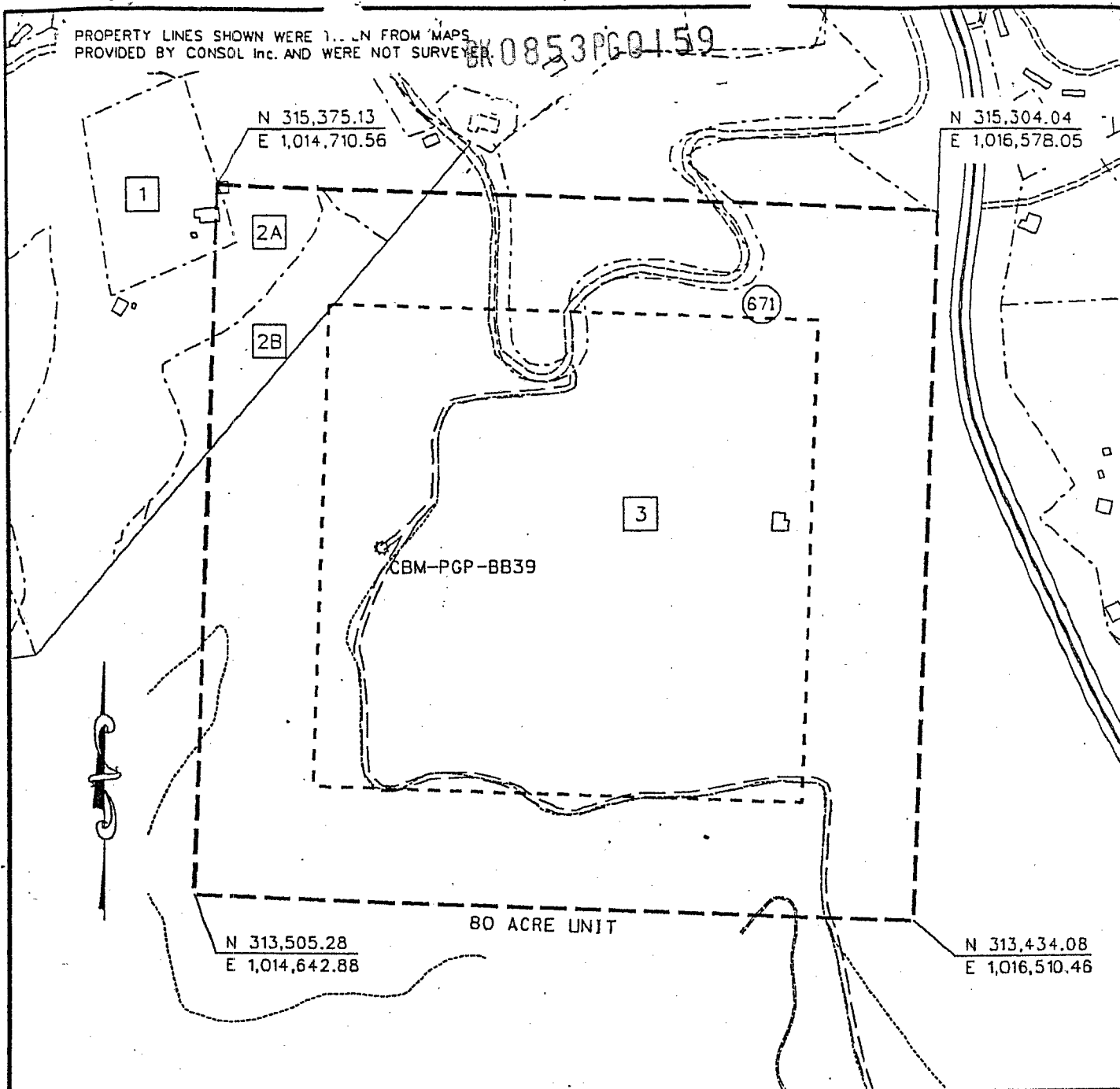


EXHIBIT A  
OAKWOOD FIELD UNIT BB-39  
FORCE POOLING  
VGOB-01-0717-0903

Company Pocahontas Gas Partnership Well Name and Number UNIT BB39  
Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Keen Mountain  
County Tazewell District Maiden Springs Scale: 1" = 400' Date 4/6/01  
This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a final plat \_\_\_\_\_

Form DGD-GD-7  
Rev. 9/91

Claudio G. Moya  
Licensed Professional Engineer or Licensed Land Surveyor (Affix Seal)

BK0853PG0160

**POCAHONTAS GAS PARTNERSHIP**

**UNIT BB-39**

**Tract Identifications**

1. Commonwealth Coal Company (N. Short Tr.) - Coal, Oil & Gas  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Sandy Ridge Energy Corp. - Tiller and Above Coal Leased  
Reserve Coal Properties Company - Oil & Gas Leased  
Pocahontas Gas Partnership - CBM Leased  
Tom Short Heirs, Devisees, Successors or Assigns - Surface  
0.10 acres                      0.1250%
2. Commonwealth Coal Company (N. Short Tr.) - Coal  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Sandy Ridge Energy Corp. - Tiller and Above Coal Leased  
Pocahontas Gas Partnership - CBM Leased  
Tom Short Heirs, Devisees, Successors or Assigns - Oil & Gas  
4.12 acres                      5.1500%
- 2A. Tom Short Heirs, Devisees, Successors or Assigns - Surface  
2B. Knox Creek Coal Company - Surface
3. Commonwealth Coal Company (May & Painter Tr.) - Fee  
Reserve Coal Properties Company - Below Drainage Coal Leased  
Sandy Ridge Energy Corp. - Tiller and Above Coal Leased  
Reserve Coal Properties Company - Oil & Gas Leased  
Pocahontas Gas Partnership - CBM Leased  
75.78 acres                      94.7250%

Exhibit B-3  
CBM-PGP-BB39  
Docket No. VGOB-01-0717-0903  
List of Unleased Owners/Claimants

BK0853PG0161

	Acres in Unit	Interest in Unit
<b>II. OIL &amp; GAS FEE OWNERSHIP</b>		
<u>Tract #2, 4.12 acres</u>		
(1) Tom Short Heirs, Devisees, Successors or Assigns	4.12 acres	5.1500%
(a) Ballard C. Short 3417 View Avenue Roanoke, VA 24018	0.37 acres 1/11 of 4.12 acres	0.4682%
(b) Effie A. Short c/o Harold B. Short P.O. Box 1818 Cedar Bluff, VA 24609	0.37 acres 1/11 of 4.12 acres	0.4682%
(c) Raymond B. Short P.O. Box 197 Cedar Bluff, VA 24609	0.37 acres 1/11 of 4.12 acres	0.4682%
(d) Walter M. Short P.O. Box 1210 Cedar Bluff, VA 24609	0.37 acres 1/11 of 4.12 acres	0.4682%
(e) Harold B. Short P.O. Box 1818 Cedar Bluff, VA 24609	0.56 acres 3/22 of 4.12 acres	0.7023%
(f) Otis Short P.O. Box 493 Madison Heights, VA 24572	0.37 acres 1/11 of 4.12 acres	0.4682%
(g) Dorothy S. Keen P.O. Box 500 Rosedale, VA 24280	0.37 acres 1/11 of 4.12 acres	0.4682%
(h) Maude S. Bronson 34 Mountain View Park Cedar Bluff, VA 24609	0.37 acres 1/11 of 4.12 acres	0.4682%
(i) Tommy A. Short P.O. Box 1228 Richlands, VA 24641	0.37 acres 1/11 of 4.12 acres	0.4682%
(j) Jason G. Short P.O. Box 387 Pounding Mill, VA 24637	0.56 acres 3/22 of 4.12 acres	0.7023%

Exhibit E  
CBM-PGP-BB39  
Docket No. VGOB-01-0717-0903  
List of Conflicting Owners/Claimants that require escrow

BK0853PG0162

	Acres in Unit	Interest in Unit
<u>Tract #2, 4.12 acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Commonwealth Coal Company, Tr.7 P.O. Box 1269 Bristol, VA 24203	4.12 acres	5.1500%
<u>OIL &amp; GAS FEE OWNERSHIP</u>		
(1) Tom Short Heirs, Devisees, Successors or Assigns	4.12 acres	5.1500%
(a) Ballard C. Short 3417 View Avenue Roanoke, VA 24018	0.37 acres 1/11 of 4.12 acres	0.4682%
(b) Effie A. Short c/o Harold B. Short P.O. Box 1818 Cedar Bluff, VA 24609	0.37 acres 1/11 of 4.12 acres	0.4682%
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(j) Jason G. Short P.O. Box 387 Pounding Mill, VA 24637	0.56 acres 3/22 of 4.12 acres	0.7023%



COMMONWEALTH OF VIRGINIA



OFFICIAL RECEIPT  
TAZEWELL COUNTY CIRCUIT COURT  
DEED RECEIPT

DATE: 07/15/02 TIME: 11:44:11 ACCOUNT: 185CLR020003991 RECEIPT: 02000009763  
CASHIER: ADR REG: TZ13 TYPE: ODU PAYMENT: FULL PAYMENT  
INSTRUMENT : 020003991 BOOK: 853 PAGE: 155 RECORDED: 07/15/02 AT 11:44  
GRANTOR: VIRGINIA GAS & OIL BOARD EX: N LOC: CD  
GRANTEE: POCAHONTAS GAS PARTNERSHIP EX: N PCT: 100%  
AND ADDRESS :  
RECEIVED OF : DEPT OF MINES MINERALS ENERGY  
CHECK : \$48.00  
DESCRIPTION 1: REPORT OF BOARD PAGES: 8  
2: NAMES: 0  
MAP:  
CONSIDERATION: .00 ASSUME/VAL: .00  
CODE DESCRIPTION PAID CODE DESCRIPTION PAID  
301 DEEDS 18.00  
TENDERED : 48.00  
AMOUNT PAID: 18.00  
CHANGE AMT : 30.00

CLERK OF COURT: JAMES E. BLEVINS